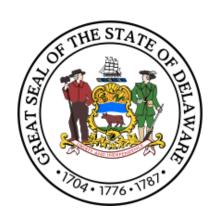
2021 Annual Report





2021 Delaware Harness Racing Commission

Mission Statement

To protect, promote, serve, and regulate the Harness Racing Industry and uphold its honesty and integrity in a competent and impartial manner.

<u>Purpose</u>

The Delaware Harness Racing Commission (DHRC) regulates and oversees the sport of harness racing in the state of Delaware.

Objectives

- 1. To protect, preserve and promote agriculture and horse racing through effective and efficient efforts to prevent and eliminate corrupt practices.
- 2. To ensure fairness in decision-making affecting licensees and patrons; and ensure due process in administrative proceedings.
- 3. To be responsive to the public and licensees and provide information concerning the industry and DHRC operations.

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2021 Delaware Harness Racing Commission Summary of Activities

Purse, Race and Handle Statistics

2021 was a rebuilding year for Delaware Harness Racing. The COVID19 pandemic negatively impacted our industry in 2020 and comparative assessment to previous years and to 2021 should consider 2020 an anomaly. In 2021, we enjoyed increases in all income measures as depicting on page 10 (The Funding Statistic Table). The measurers for 2021 show increases across the board.

In response to the spreading corona virus and to address public health concerns, on March 16, 2020, Governor Carney modified a public health emergency order, closing the casinos and temporarily halting live racing. Harness racing in Delaware did not resume until June 15, 2020, at Harrington Raceway. The three-month recess in casino access and live racing caused a loss in revenue for the casinos and horsemen. Those losses are reflected in the data presented in the 2020 Report. When racing did resume, both tracks implemented COVID protocols to ensure the health and safety of participants and spectators, and those protocols continued in 2021.

In 2021, there were 145 race days, 1,944 races and 15,514 starters total, all up from 2020 and close to 2019 figures. Including stake races, Dover Downs (DD) and Harrington Raceway Inc. (HRI) distributed approximately \$24.8M (up 12% from 2020 and very close to 2019 numbers). The total revenue for the casinos (from slots, tables, sports and pari-mutuel) was \$29.6M, up almost 35% from 2020. The total live handle was \$69,126,220, which is just under 2016 figures (See tables on page 7 and 8)

In 2021, expenses associated with Delaware Standardbred Owners Association (DSOA) deducted from the purse account were as follows: apprx. \$570K for operations; \$208K for pensions, and \$2.7M for insurance.

The Delaware Standardbred Breeders' Fund (DSBF) successfully promotes the production and improvement of Delaware-based Standardbreds, as well as the prominence of the state's harness racing industry in North America. The DSBF distributed about \$3.4M in purse funds in 2021.

Commission Rules and Procedures

Through adherence to the highest standards of integrity, the Delaware Harness Racing Commission (DHRC) effectively regulated the sport of harness racing in the First State. As usual, various improvements were made to internal procedures and regulatory protocols. The latest amendments to USTA's rules were reviewed and appropriate revisions were adopted into the DHRC rules. As every year, the DHRC works closely with the Association of Racing Commission International (ARCI) and utilizes the recommended penalty matrix guidance among other guidance, but the DHRC opposes both the federal Horse Racing Safety and Integrity Act and ARCI acquiescence to the effort.

In 2018, the USTA formed the Harness Racing Medication Collaborative (HRMC) to assess/research and then recommend appropriate scientifically based regulatory thresholds for medications used in the harness racing industry. In response to the Racing Medication and Testing Consortium's (RMTC) almost exclusive focus on the thoroughbred industry and lack of willingness to consider the unique aspects of the Standardbred industry, the USTA left the RMTC and formed the HRMC. The Delaware Harness Racing Commission, through its Executive Director, is one of only two racing commissions represented on its board.

Equine Drug Testing

Both the frequency and quality of the drug screening programs are continuously assessed and adjusted for improvement. In 2021, a total of 1,878 pre-race blood gas tests were completed inhouse. Dalare Lab continues to service the Commission by providing analysis of post-race (blood/urine) and out-of-competition (blood) samples. A total of 1,969 (blood) and 1,635 (urine) post-race samples (full spectrum analysis) and 13 out-of-competition samples (EPO) were collected and analyzed in 2021. Due to the COVID Emergency, to minimize exposure of DHRC staff and licensees, out of competition testing was suspended in April 2020 for the remainder of the year and in 2021. The EPO samples collected in 2021 were collected at qualifying races. In order to monitor the use of cobalt and enforce the new regulation related to its use, the DHRC collected 427 blood samples (pre-race) for cobalt analysis in 2021, which is the highest yearly number to date.

Licensee Drug Testing

In 2021, 7,140 breathalyzer screenings were conducted (for alcohol presence) and 111 human (saliva) samples were collected for drug testing (full spectrum analysis). The continued monitoring of possible drug use/abuse in human and equine participants is paramount to maintaining the highest standards of integrity in Delaware horse racing. Our drug testing sample collection and analytical protocols, as well as testing parameters, are constantly monitored for quality improvement. The DHRC tracks federal and local marijuana related statutes and makes the necessary updates to our policies.

Ownership Review Project

In addition to the straightforward outcomes of the Ownership Review Project such as uncovering hidden ownership, there have been some ancillary beneficial outcomes. By December 2021, of the (200) persons/stables from which we requested ownership information, twenty-six (26) people never complied with the request and are no longer licensed with the DHRC. After initially complying, an additional sixty-three (63) licensees have opted not to renew their DHRC licenses. This demonstrates that the mere inquiry effectively removed some possible hidden ownership/trainer activities. A total of 8 individuals have been added to the review for cause.

This project will continue in earnest during 2022 with an expectation of additional Judges' Hearings to be conducted in the fall of 2022. It is expected that a good number of cases will be closed in the summer of 2022, in addition to the over 100 already closed.

Budget

It is important to remember the state fiscal year (SFY) runs from July 1st to June 30th and the annual report is based on the calendar year. In general, this report shows figures for the 2021 calendar year. Casino revenue is a source of funding for many DHRC operations. Some costs are directly paid by the tracks, such as laboratory services and supplies (not shown in the DHRC Operating Budget) and salaries (which are shown in the operating budget. Other costs are covered by funds channeled through the Lottery Office to the DHRC (some salaries). The bulk of the non-salary operating costs are funded by the DHRC fines and fees holding account. DHRC operations are performed well within budgeted parameters. In fact, the DHRC will again complete the SFY under budget.

Delaware horse racing is still a vibrant and healthy industry. According to a 2014 study, contributing \$182M to the State's economy annually and accounting for 1,540 jobs. The DHRC constantly reviews internal procedures, and we will continue the practice of on-going assessment and improvement to reduce costs and increase efficiency. The DHRC will also continue to identify methods and measures (education, rules, procedures, testing, and investigation) to ensure the integrity of racing in the First State.

It will take all stakeholders (regulators, politicians, casinos/tracks, horsemen, and support businesses) working together to ensure the continued success of this important industry, which contributes significantly to our history and economy. Solutions which consider the needs of and provide a positive impact to both the horsemen and casino/tracks must be identified and implemented.

2021 Delaware Harness Racing Commission Personnel

Delaware Harness Racing Commission

Chairman, Beverly Steele
Vice-Chairman, Patt Wagner
Commissioner, George P. Staats
Commissioner, Jack Berberian
Commissioner, Stephanie Liguori
Executive Director, Mark A. Davis
Counsel, Andrew Kerber, ESQ
Counsel, Adria Martinelli, ESQ
Prosecuting Counsel, Stacey Cohee, ESQ
Administrative Specialist, Donna Krol*
Administrative, Darlene Parker*

DE Standardbred Breeders Fund

Administrator, Judy Davis-Wilson

DHRC Judges

Presiding Judge, Brian Manges*
Associate Judge, Brent McLaren
Associate Judge, Randy Rosenthal
Alternate Judge, Norman Short*
Paddock Judge, Bob Delisi*

DHRC Veterinarians

Chief John Whiston Kristen Near Linda Molesworth Claire Wellman (fill-in) Sam Sacksen (fill-in) Gil VanSciver (fill-in) Perry Chumley (fill-in)

Investigative Unit

Chief Investigator, Lauren Torres Investigator, Handley Orr Licensing Investigator, Clare Espino

Blood Gas Analyst

Wes Gerardi*
Jennifer Hobbs*
Trish MacDonald* (fill-in)

Office of Licensing

Holly Ventura*
Nikki Tome*
Christa Clark
Darlene Parker*

Equine Identifiers

Trish MacDonald*
Faith Parker*

BAC Technician

Robin Killen

Chief Paddock Inspectors

Jennifer Hobbs* Nikki Tome* Mollie Lynch*

Paddock Inspector

Lynn Dodenhoff*
Mollie Moore
Morgan Nichols
Richie Cannon
Jonathan Moore
Nikki Tome*
Faith Parker*
Cara Parker

^{*}Denoted personnel trained in more than one job function

Personnel

DHRC personnel are strongly encouraged to cross-train, thereby improving morale and operational flexibility. In addition, the DHRC maintains high standards of training and continues to participate in the national accreditation programs.

DHRC Chief Veterinarian John Whiston and Commission Veterinarian Dr. Kristen Near both resigned to pursue other opportunities in 2021. The biggest challenge for the DHRC in 2021 was finding qualified veterinarians. The national shortage of large animal veterinarians has exasperated the challenge. Dr. Linda Molesworth accepted the DHRC Associate Veterinarian position and has proven to be a great asset. Our Chief Vet. position has remained vacant. The list of "fill-in" veterinarians is shown on page 4 of this report. The DHRC owes much gratitude to these "fill-ins". They have consistently provided the needed veterinary services we require to operate successfully. Currently, we enjoy the benefits of an exemplary Veterinary Team and will continue to seek out a qualified individual to assume the Chief Veterinarian duties.

Personnel Training and Conferences

Cross-training continues to be a cornerstone of the DHRC personnel management strategy. Cross-training strengthens both the individual employee and our entire operation. DHRC personnel are cross-trained in multiple job duties whenever possible; and as noted on the personnel roster, many DHRC paddock staff are trained in multiple job functions.

DHRC personnel are also encouraged to utilize the state training/education programs through OMB. The state offers courses in First State Financial system (FSF), operational management, personal skill building and others.

Personnel Accreditation

Judges working at Delaware's Harness tracks are fully licensed by the United States Trotting Association (USTA) and accredited through the University of Louisville. The Judges regularly attend continuing education sessions through the Racing Officials Accreditation Program (ROAP); www.horseracingofficials.com and will do so in 2022.

2021 Delaware Harness Racing Commission

Licensing Office Activity

LICENSE TYPE	FEE	# ISSUED	TOTALS
OWNER 1 YR	\$50.00	429	\$21,450
TRAINER 1 YR	\$50.00	57	\$2,850
DRIVER 1 YR	\$50.00	10	\$500
OWN/TRNR/DRIVER 1			
YR	\$50.00	22	\$1,100
OWNER 2 YR	\$100.00	64	\$6,400
TRAINER 2 YR	\$100.00	2	\$500
DRIVER 2 YR	\$100.00	3	\$300
OWN/TRNR/DRIVER 2			
YR	\$100.00	7	\$700
OWNER 3 YR	\$150.00	139	\$20,850
TRAINER 3 YR	\$150.00	15	\$2,250
DRIVER 3 YR	\$150.00	2	\$300
OWN/TRNR/DRIVER 3			
YR	\$150.00	18	\$2,700
AUTH. AGENT	\$50.00	2	\$100
VENDOR	\$50.00	4	\$200
VENDOR EMPLOYEE	\$20.00	8	\$160.00
GROOM	\$20.00	229	\$4,580.00
TRACK PERSONNEL	\$20.00	35	\$700.00
TOTAL LICENSES		1,046	\$65,640.00
FINGERPRINTS	\$65.00	104	\$6,760.00
APPEALS	\$400.00	1	\$400.00
FINES	vary	3	\$10,100.00
TOTALS			\$82,900.00

2021 Delaware Harness Racing Commission

Equine Drug Testing Program

ТҮРЕ	2015 TOTALS	2016 2017 TOTALS TOTALS		2018 2019 TOTALS TOTALS		2020 TOTALS	2021 TOTALS
No. of Starters	19,121	18,102	16,417	15,010	15,584	11,939	15,814
Pre-Race BG (In-house)	4,293	3,075	2,691	2,194	2,540	1,727	1,878
Post-Race Testing (Dalare)	Urine: 2,459 Blood: 2,745	Urine: 2,074 Blood: 2,464	Urine: 1,655 Blood: 2,036	Urine: 1,437 Blood: 1,841	Urine: 1,668 Blood: 2,004	Urine: 1,275 Blood: 1,526	Urine: 1,635 Blood: 1,969
Out of Competition Testing (Dalare)	18	26	128 11 Tongue Ties	78	92	46	13
Cobalt (Dalare)	128	385	344	294	295	265	427
GRAND TOTALS	9,643	8,024	6,887	5,844	6,599	4,839	5,922

Human Drug Testing Program and Searches

	2015	2016	2017	2018	2019	2020	2021
TYPE	TOTALS						
Human Drug Testing	185	232	165	168	107	91	111
Breathalyzer (In-house)	8,828	8,635	7,558	6,744	6,711	4,742	7,140
GRAND TOTALS	9,013	8,867	7,723	6,912	6,818	4,833	7,251
Truck/Trailer Searches	345	410	400	142	77	154	201

2021 Delaware Harness Commission Racetrack Handle Statistics

	TOTAL RACING STATISTICS								
	2015 Totals	2016 Totals	2017 Totals	2018 Totals	2019 Totals	2020 Totals	2021 Totals		
Live Racing Days	176	176	159	142	143	116	145		
Races	2,474	2,277	2,026	1,828	1,915	1,490	1,944		
Races per Day (avg.)	14.1	14	13	13	13.3	12.8	13.3		
Total On-track Live Handle	\$2,945,924	\$2,286,306	\$1,846,505	\$1,878,155	\$1,478,838	\$742,273	\$1,236,662		
Total Off-track Handle	\$77,120,856	\$67,172,168	\$57,780,063	\$48,954,983	\$54,478,175	\$48,100,492	\$67,889,559		
Total Live Handle	\$79,976,777	\$69,458,474	\$59,632,568	\$50,833,138	\$55,957,013	\$48,842,765	\$69,126,220		

These figures are summed from the Monthly Administrator's Report

2021 Delaware Standardbred Breeders Fund

The Delaware Standardbred Breeders' Fund was created to oversee a state-based breeding program.

- The DSBF Board is made up of 11 appointed members.
- The DSBF Administrator, Judy Davis-Wilson, oversees both the Sires and Racing Programs.
- These programs consist of a minimum of 48 races per year equally divided between two of the state's race tracks; Dover Downs and Harrington Raceway.
- These 48 races include 2 Eliminations and a \$100k Final at each track, for each division.
- The DSBF strives to maintain a competitive level of purses and to keep the flow of hybrid vigor among Delaware bred Standardbreds, by annually contributing to the base of horses racing at the states' two harness tracks.
- The DSBF Administrator markets and showcases Delaware bred horses at major Standardbred sales (such as the Harrisburg Sale) and supports educational events. These annual events include the Harness Horse Youth Camp and Clyde Hirt Writers' Workshop.
- Another important annual event for the DSBF is Governor's Day, held at the Delaware State Fair each July.

	2013	2014	2015	2016	2017	2018	2019	2020	2021
Stallions									
Registered	41	40	35	33	36	36	37	43	44
Mares Bred	360	282	282	217	251	347	297	345	345
Yearlings									
Registered	217	192	201	147	153	116	132	189	162
2 & 3 Year Old									
Payments	422	510	473	468	341	344	304	314	455

Total Bonus Paid to DSBF 2 & 3 Year Olds in DSBF Events: \$286,756

Total Purses Paid: \$3,468,000

2021 Final Winners

3 Year Olds @ Dover Downs 3 CP-First State Joni; 3 FP-Tobago Time; 3 CT-Blue Devil;

3 FT-Whitesville Beulah

3 Year Olds @ Harrington Raceway 3 CP-First State Joni; 3 FP-Tobago Time; 3 CT-Big Al M;

3FT-Kim's Command

2 Year Olds @ Harrington Raceway 2 CP-Heinikin Bythebay; 2 FP-Shabby Chic;

2 CT-LG's Reed O Wen; 2 FT-Just Pump It

2 Year Olds @ Dover Downs 2 CP-Heinikin Bythebay; 2 FP-Odds On Surfer Gal;

2 CT-Rivers; 2 FT-She's All Woman